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## REMARKS

Applicants thank the Examiner for the courtesy of a telephone interview on March & 2005 during which Examiner Thomas Lazo and Applicants' representative William Guerin discussed proposed amendments to the claims to overcome the rejections under 35 U.S.C. 102 and 35 U.S.C. 103.

Claims 1-26 were presented for examination. The Office Action rejects claims 1-26. This paper amends claims 1, 3, 12, 13, 20, 25 and 26. Claims 1-26 remain pending in the application after entry of the amendments made herein.

## Rejection of Claims 1, 2, 5-12 and 15-26 under 35 U.S.C. § 102

The Office Action rejects claims 1, 2, 5-12 and 15-19 under 35 U.S.C. 102(b) as being anticipated by U.S. Patent No. 5,957,213 to Loraas et al. (hereafter "Loraas"). In addition, the Office Action rejects claims 20-26 under 35 U.S.C. 102(e) as being anticipated by U.S. Patent No. 6,510,902 to Prokop et al. (hereafter "Prokop").

Applicants respectfully traverse the rejections to the extent they are maintained against the claims as amended.

Applicants' invention, as now set forth in amended independent claims 1 and 12, recites a source of electrical power, a controller module and a transceiver each disposed in a rotating portion of a hydraulic system. Similarly, amended independent claim 25 now recites that the means for converting hydraulic power to electrical power, the means for receiving control data, the means for generating an electric control signal and the means for operating the hydraulic actuator are each disposed in the rotating portion of the hydraulic system. Moreover, amended independent claims 1, 12 and 25 each recite a rotary seal (or related means) to pass a hydraulic flow from a stationary portion to the rotating portion and back from the rotating portion to the stationary portion. Similarly, amended independent claim 20 now

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recites providing a hydraulic flow from a stationary portion of the hydraulic system to a hydraulic actuator in a rotating portion of the hydraulic system.

Lorans teaches an attachment for a power machine that includes an operator input device, a tool, a controller and a power actuator connected to the tool which can be connected to the power system of the power machine. Prokop teaches a method and device to monitor the operating time and condition of a hydraulic percussion system. The number of percussion strokes for a hydraulic percussion system is determined using a number of described sensing elements.

Unlike the Applicants' claimed invention, Loraas and Prokop do not teach or suggests system that has a rotating portion having a source of electrical power, a controller module and a transceiver disposed therein. Although the tools taught in Loraas may rotate (e.g., a portion of the auger 200 of FIG. 5), none of the components disclosed by Loraas are disposed on the rotating portion of a tool. Moreover, neither Loraas nor Prokop teach or suggest providing a hydraulic flow from a stationary portion to a rotating portion such as through a rotary seal. Thus Loraas and Prokop, either alone or in combination, fail to disclose or suggest every claimed limitation of the Applicants' invention as recited in amended claims 1, 12, 20 and 25, therefore, Applicants respectfully submit that the rejections under 35 U.S.C. 102 are overcome.

Claims 2, 5-11, 15-19, 21-24 and 26 depend directly or indirectly from patentable independent claims 1, 12, 20 and 25, and incorporate all of their limitations, and therefore are also patentably distinguishable over the cited references for at least those reasons provided in connection with claims 1, 12, 20 and 25. Therefore, the Applicants respectfully submit that the rejections against these claims are also overcome.

## Rejection of Claims 3, 4, 13 and 14 under 35 U.S.C. § 103

The Office Action rejects claims 3, 4, 13 and 14 under 35 U.S.C. 103(a) as being unpatentable over Lorans in view of Prokop.

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Claims 3, 4, 13 and 14 depend directly or indirectly from patentable independent claims 1 and 12, and incorporate all of their limitations, and therefore are patentably distinguishable over the cited references for at least those reasons provided with respect to claims 1 and 12. Therefore, Applicants respectfully submit that the rejection against claims 4, 13 and 14 under 35 U.S.C. 103 is overcome.

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## CONCLUSION

In view of the arguments made herein, Applicants submit that the application is in condition for allowance and request early favorable action by the Examiner.

If the Examiner believes that a telephone conversation with the Applicants' representative would expedite allowance of this application, the Examiner is cordially invited to call the undersigned at (508) 303-2003.

Respectfully submitted,

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